

Message Text

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ACTION IO-14

INFO OCT-01 EPG-02 AGRE-00 USIA-15 AID-05 EB-07 AF-10

ARA-14 EA-09 EUR-12 NEA-10 COME-00 ISO-00 TRSE-00

L-03 ABF-01 /103 W

-----013134 202003Z /66

R 201401Z JUN 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 5389

UNCLAS ROME 10104

FODAG

E.O. 11652: N/A

TAGS: FAO, OCON, EAGR

SUBJ: 71 ST FAO COUNCIL: SPECIAL RESERVE ACCOUNT

1. DESPITE THE REQUEST OF THE NETHERLANDS, UK, CANADA, GERMANY, US, JAPAN, ITALY AND FRANCE TO DEFER THE MATTER FOR STUDY BY THE 72ND FAO COUNCIL IN NOVEMBER, THE CHAIR ACCEPTED THE WISHES OF NINE DEVELOPING COUNTRIES AND RULED THAT A DRAFT RESOLUTION PROPOSED BY THE DIRECTOR-GENERAL CALLING FOR THE ESTABLISHMENT OF A SPECIAL RESERVE ACCOUNT SHOULD GO FORWARD TO THE CONFERENCE, WITH THE COUNCIL'S AGREEMENT.

2. AS PROPOSED THE RESOLUTION HAS A NUMBER OF PROVISIONS WHICH CAUSE DIFFICULTY FOR THE US AND OTHER MAJOR DONORS. IT IS BROAD IN PURPOSE, ALMOST OPEN-ENDED AND WOULD BE ESTABLISHED BY USING \$5 MILLION FROM THE CURRENT (BUT EXPIRING) SUSPENSE ACCOUNT WHICH WAS ESTABLISHED TO FUND UNBUDGETED COSTS ARISING FROM AN UNFAVORABLE CURRENCY FLUCTUATION IN 1976-77. MONEY IN THE CURRENT ACCOUNT STANDS TO THE CREDIT OF GOVERNMENTS BUT THIS IS NOT PROVIDED FOR IN NEWLY PROPOSED ACCOUNT.

3. MOST MAJOR DONORS BELIEVE THAT WHILE FAO'S FINANCIAL SECURITY MUST BE PROTECTED TO A REASONABLE DEGREE THROUGHOUT THE
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VARIOUS BIENNIA, THE NEWLY PROPOSED ACCOUNT HAS NOT YET BEEN JUSTIFIED OR THOROUGHLY EXPLORED.

4. THE DIRECTOR-GENERAL ALREADY KNOWS OUR VIEWS ON ISSUE BUT DELEGATION WILL ATTEMPT REPEAT THEM TO HIM PRIOR CONCLUSION SESSION. WE ALSO WILL INSIST ON ACCURATE COUNCIL REPORT OF DISCUSSION THIS ITEM. IN PRELIMINARY TALK WITH UK AND CANADA

FOLLOWING DECISION, WE MENTIONED POSSIBLE COURSE OF PREPARING AN ALTERNATIVE RESOLUTION FOR CONFERENCE WHICH WOULD PROVIDE FOR THE LEGITIMATE NEEDS OF ORGANIZATION BUT ALSO ESTABLISHED LIMIT USE OF FUNDS, AND APPROPRIATE CRITERIA FOR DRAWDOWNS. TO RETAIN GOVERNMENT'S HOLD ON ACCRUED FUNDS, AN ALTERNATIVE, IF PROPOSED, MIGHT CONSIST OF SOMETHING LIKE ATTACHING A NEW SEGMENT TO THE ALREADY ESTABLISHED WORKING CAPITAL FUND, WHICH GOVERNMENTS OWN.

5. THE GENEVA GROUP MIGHT BE USEFUL IN DECIDING HOW TO PURSUE THIS ISSUE.GARDNER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, BUDGETS, COMMITTEE MEETINGS, PROGRAMS (PROJECTS), MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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Executive Order: N/A
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Expiration:
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From: ROME
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Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Retention: 0
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Review Event:
Review Exemptions: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2092860
Secure: OPEN
Status: NATIVE
Subject: 71 ST FAO COUNCIL: SPECIAL RESERVE ACCOUNT
TAGS: OCON, EAGR, FAO
To: STATE
Type: TE
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